

HUMAN SERVICES SYSTEM

BUDGET UNIT: CHILD CARE PROVIDER PAYMENTS (AAA ETP)

I. GENERAL PROGRAM STATEMENT

All childcare programs administered by the Transitional Assistance Department (TAD) are budgeted within this unit. This expanded program is one of the major programs of the federal welfare reform and the resulting state CalWORKs program. The expanded programs are intended to fund childcare for CalWORKs recipients that are seeking employment or have obtained employment and continue through employment stabilization for a period of up to two years. This budget unit also incorporates the program that funds childcare for families in which the child is under the auspices of the Department of Children's Services and is at risk of parent abuse or neglect.

Childcare provider payments are 100% federal and state funded through reimbursements by the state. There is no staffing associated with this budget unit.

II. BUDGET & WORKLOAD HISTORY

	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Total Appropriation	85,891,477	68,504,316	90,882,476	93,919,917
Total Revenue	85,943,528	68,504,316	90,884,155	93,919,917
Local Cost	(52,051)	-	(1,679)	-
<u>Workload Indicators</u>				
Average Monthly Paid Cases	23,153	18,229	21,078	20,462
Average Monthly Aid	\$309	\$313	\$357	\$382

In 2002-03 the budget was built based on assumptions that funding would be cut by as much as 25%. When the state released the 2002-03 allocations, funding was cut by only 9%.

Additionally, several additional funding augmentations were received to cover childcare expenses in 2002-03. Allocations received for childcare are as follows:

Program	2002-03 Original Allocations	Mid-Year Allocation Augmentations	Final Allocations
Stage 1 CalWORKS	\$ 35,681,406	\$ 14,097,553	\$ 49,778,959
Stage 2 Contracts	27,045,683	1,246,512	28,292,195
Stage 3 Contracts	8,167,041	2,550,000	10,717,041
General Alternative Payment (Child Protective Services)	826,971	16,539	843,510
Federal Alternative Payment (Federal Block Grant)	3,128,898	62,578	3,191,476
Total	\$ 74,849,999	\$ 17,973,182	\$ 92,823,181

In July 2002 the department presented to the Board the 2002-03 allocations and increased appropriations by \$7.0 million. Estimates indicated a need for additional funding of approximately \$13.5 million. The department submitted its request to the state in January 2003. In April 2003 all requests for additional funding were granted and the department presented the allocation augmentations along with the increase in appropriations and revenue to the Board in early May and late June, which fully funded childcare.

III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

PROGRAM CHANGES

In 2003-04 the Governor proposed childcare funding to be included in the "realignment II" funding shift to the county. This did not occur and childcare remains funded through the CalWORKS allocation and the Department of Education.

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Due to the fact that "realignment II" and funding cuts did not occur, the 2003-04 budget was built based on caseload trend. In comparison to budget 2002-03, it is projected that average monthly paid cases will increase by 12.3%. Average monthly aid in 2003-04 will increase by 22% from 2002-03 budgeted due to inflation and greater demand for childcare services.

Childcare provider payments are 100% federal and state funded through reimbursements by the state. There is no local cost.

GROUP: Human Services System			FUNCTION: Public Assistance		
DEPARTMENT: Entitlement Payments			ACTIVITY: Aid Programs		
FUND: General AAA ETP					
	2002-03	2002-03	2003-04	2003-04	
	Actuals	Approved Budget	Board Approved	Board Approved	2003-04
			Base Budget	Changes to	Final Budget
				Base Budget	
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Appropriation					
Other Charges	90,882,476	68,504,316	99,038,758	(5,118,841)	93,919,917
Total Appropriation	90,882,476	68,504,316	99,038,758	(5,118,841)	93,919,917
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Revenue					
State, Fed or Gov't Aid	90,884,155	68,504,316	99,038,758	(5,118,841)	93,919,917
Total Revenue	90,884,155	68,504,316	99,038,758	(5,118,841)	93,919,917
Local Cost	(1,679)	-	-	-	-
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Total Changes Included in Board Approved Base Budget					
Other Charges	30,534,442	Increase in allocations from federal and state sources.			
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Revenue	30,534,442	Increase in allocations from federal and state sources.			
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Total Appropriation Change	30,534,442				
Total Revenue Change	30,534,442				
Total Local Cost Change	-				
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Total 2002-03 Appropriation	68,504,316				
Total 2002-03 Revenue	68,504,316				
Total 2002-03 Local Cost	-				
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Total Base Budget Appropriation	99,038,758				
Total Base Budget Revenue	99,038,758				
Total Base Budget Local Cost	-				
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Board Approved Changes to Base Budget					
Other Charges	(5,118,841)	Reduction due to estimated caseload decline.			
Total Appropriation	(5,118,841)				
Revenue					
State, Fed or Gov't Aid	(5,118,841)	Reduction due to estimated caseload decline.			
Total Revenue	(5,118,841)				
Local Cost	-				